



Nevada
Deferred
Compensation

THE DEFER

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As we welcome the winter season and the New Year, the Nevada Public Employees' Deferred Compensation Program (NDC) prepares to implement changes and educational opportunities to assist participants and employees with their *Financial Wellness Journey to and through retirement*.

Financial Wellness Education

The NDC sponsored Annual Financial Wellness Days were held October 9 – 13, 2017 in preparation for *National Retirement Security Week (NRSW)*. Nearly 800 government employees participated in financial wellness workshops across the State and via the Internet. Employees were assisted with developing their own individual unique Financial Wellness Road Map to help them better prepare for retirement. If you were unable to attend, you can view the workshops at defcomp.nv.gov.

Local efforts helped to protect 457(b) plans

The NDC Executive Officer and Committee Chair worked diligently with other defined contribution plan administrators and U.S. congressional leaders including Senator Heller to preserve crucial 457(b) plan regulations and benefits.

We are happy to report that the Tax Cuts and Jobs Act signed into law by President Trump on December 22, 2017 did not contain any of these changes that Congress originally proposed in the tax reform bill:

- A "Rothification" provision limiting pre-tax contributions to \$2,000-3,000, with further contributions to be made after-tax.
- A 10% pre-retirement excise tax on 457(b) plans.
- No more catch-up contributions and deferrals of amounts for unused sick time, annual leave or compensatory time into 457(b) government plan accounts.

- Eliminating the separate limits that allow educators or other employees who qualify to contribute up to the IRS annual maximum to both their 403(b) plan and 457(b) plan accounts. The final conference report approved by the House and Senate removed the “Rothification” provision, continued the 457(b) plan exemption from the 10% pre-retirement excise tax, retained all 457(b) catch-up provisions and allowed educators and other government employees who qualify to continue to contribute up to the annual limit to both 403(b) and 457(b) plans. This was a huge win for government employees and defined contribution retirement plans.

If you have questions, please contact Rob Boehmer, NDC Executive Officer, at **775-684-3397** or send an email to rboehmer@defcomp.nv.gov.

Thanks to Karen Oliver and Steve Woodbury

Together with Governor Sandoval’s office, the NDC Committee and Program Administration would like to extend our appreciation to longtime committee members Karen Oliver and Steve Woodbury. Karen has been a committee member since 2011 and served as chair in 2015. Steve joined the committee in 2012 and served as chair in 2016. We will miss Karen’s and Steve’s valuable insight, fiscal oversight and investment knowledge. We wish them the best of luck in their future endeavors.

Happy New Year from all of us at the NDC Program.



NEW TO THE PLAN

Guessing isn’t good enough: set your retirement goals

Athletes understand the importance of setting goals. It helps them stay focused while training and competing. Consider doing the same as you make decisions about saving and investing for your retirement future.

It’s important to define your goals as specifically as possible. Many people are unaware of how much they need to save and invest in order to have enough retirement income. According to the 2017 Retirement Confidence Survey by the Employee Benefit Research Institute, only 4 out of 10 workers

(41 percent) have tried to figure out how much money they will need in retirement and only 34 percent have estimated their expenses in retirement.

As a participant in the NDC Program, you have access to services that can help take the guesswork out of planning for retirement.

When you log into your account online, **myOrangeMoney®** displays how your account balance translates into estimated monthly retirement income. It links to your **Personal Financial Dashboard** where you can organize all your financial accounts in one place. These educational tools are designed to help you with retirement planning. To access both, log into your account at nevada.beready2retire.com.

If you would like assistance, a local representative from the NDC contracted record keeper, Voya Financial,®* can help you develop or review your plan for meeting your retirement objectives. To set up an appointment, call toll free **1-866-464-6832** or **775-886-2400**.

A tangible goal to work toward can help you make informed decisions about how to save and invest – and boost your confidence in your ability to reach your objectives.

* Registered Representatives of and securities offered through Voya Financial Advisors, Inc., member SIPC.

IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

ACTIVELY PARTICIPATING IN THE PLAN

Higher contribution limits in 2018

Maximum Annual Contribution	\$18,500
Maximum including Age 50+ Catch-Up	\$24,500
Maximum including Three-Year Special 457(b) Catch-Up	Up to \$37,000

The combined total of your traditional 457(b) and Roth 457(b) contributions cannot exceed these 2018 limits.

If you're at least age 50 in 2018, you are allowed to contribute an extra \$6,000 with the Age 50+ Catch-Up, for a total of up to \$24,500. And if you are within three years before the year in which you will reach normal retirement age as defined in the NDC Program and you have not contributed as much as the IRS limits permitted you in prior years, you may be eligible to contribute up to \$37,000 with the Three-Year Special 457(b) Catch-Up. Since this catch-up option takes into account your prior contributions and requires you to complete a Three-Year Special 457(b) Catch-Up calculation worksheet, please call **1-866-464-6832** or **775-886-2400**. A representative assigned to the NDC Program by our contracted record keeper, Voya Financial®, will assist you with calculating the amount available to you and completing the worksheet.

Remember, if you are eligible for both catch-up options in the same tax year, IRS rules provide that you cannot use both in the same tax year. However, you may use the option that lets you defer the greater amount.

A retirement saving incentive

Generally, the lower your income, the harder it may be to save for retirement. The Saver's Credit is available to help motivate more people to try.

If you qualify, you could claim a tax credit on your federal tax return for up to half of the first \$2,000 you save in your NDC account each year. Under IRS rules, the Saver's Credit is available to taxpayers who contribute to a 457(b), 401(k) or 403(b) plan or an IRA by December 31 and have a qualified adjusted gross income that does not exceed these limits.

	Tax year 2017	Tax year 2018
Single, married filing separately, qualifying widow(er)	\$31,000	\$31,500
Head of household	\$46,500	\$47,250
Married filing jointly	\$62,00	\$63,00

You can read about the Saver's Credit on nevada.beready2retire.com under **Resource Center**. To learn if you qualify, go to www.irs.gov or contact your tax adviser.

NEARING RETIREMENT

Investing as retirement gets closer

Your retirement is only a few years away. It may be time to get some advice about how a shorter time frame could affect your investing strategy and investment mix.

The NDC Program has teamed up with Morningstar[®] Associates to offer investment advice and personalized guidance for managing your NDC account.

If you prefer to handle your NDC account's investments yourself, you can get advice and investment recommendations through **Managed by You**. There are no additional fees or costs. You may use the service as often as you like.

If you'd rather leave the investing decisions to Morningstar Associates, consider **Managed by Morningstar** for an additional annual fee of 0.50% of your account balance. An investment professional will select and monitor your investments based on your situation. You'll have a clear view of what's happening with your NDC account through regular updates.

To access either **Managed by You** or **Managed by Morningstar**, log into your account and select Get Advice under the Account tab.

If you have questions, call **1-866-464-6832** or **775-886-2400** to ask a representative assigned to the NDC Program by our contracted record keeper, Voya Financial[®], about the advice services and investment options available to you.

IMPORTANT: *The projections or other information generated by Morningstar[®] Retirement ManagerSM regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results (including investment results) and are not guarantees of future results. Results may vary with each use and over time.*

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ENJOYING RETIREMENT

Look at risk with eyes wide open

When you think about the risks you take when you invest, what probably comes to mind first is the risk of losing money in a falling market.

But there are other, possibly less obvious, risks to defend yourself against as you rely on your investments for retirement income.

Rising interest rates can negatively affect your fixed income investment options when they pay less than newly issued bond investments. Higher rates also can cause investors to put more money into interest paying investments, potentially driving down the value of fund options that invest in stocks.

A period of prosperity might make investing seem less risky, leading some investors to take on more risk than is appropriate for their situations. An economic slowdown could cause all investments to lose value and make investing look riskier.

Of course, the scariest risk of all is not having enough money to last through your retirement years. Even a modest inflation rate can severely reduce the future buying power of your retirement savings over time.

Risk is a normal part of investing. While you can't avoid all risks, you can protect yourself. Before you make investing decisions, look carefully at the potential risk and return of each of your investments. There are strategies that can help you limit the downside of risk while potentially gaining the upside.

Representatives assigned to the NDC Program by our contracted record keeper, Voya Financial®, are available to meet with you one-on-one to explain the risks and returns of different investments and answer your questions. Call **1-866-464-6832** or **775-886-2400** to set up a review of your NDC account.

The NDC Program and the Voya® family of companies do not offer legal or tax advice. For such advice, consult with a tax advisor or legal attorney.



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